

**Statement of Chairman Candice S. Miller**  
**Chairman**  
**Subcommittee on Regulatory Affairs**  
**Committee on Government Reform**  
**Washington, DC**  
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Good morning, ladies and gentlemen.

America is at a cross roads. We can continue down a path that weakens our international competitiveness or we can recognize our responsibility for reducing the cost of doing business in the United States. America should be the best place in the world to manufacture products and create jobs and we are here today to discuss options for reforming our regulatory process. This hearing provides us with an opportunity to evaluate existing initiatives, consider new proposals, and develop a regulatory reform agenda for the 109<sup>th</sup> Congress.

I want to first say how glad I am to have my colleagues Representatives Sue Kelly, Bob Ney, and J.D. Hayworth with us today. These are three Members of Congress who really understand this issue and know how critical it is to improving our nation. Thank you all for being here today. I am also pleased to mention that my subcommittee colleague, Representative Ginny Brown-Waite, has proposed her own piece of legislation to address the issue of regulatory burden on the American public.

Regulation is one of the tools used by the government to implement public policy. They are necessary because laws may lack the details required to address the various circumstances they were designed to correct. Every year, over 60 federal departments, agencies, and commissions dedicate over 240,000 full-time employees to write and enforce regulations that range from allowing fireworks displays over rivers to registering food facilities to protect from bioterrorism. Combined, these agencies annually issue thousands of new rules and their costs for regulatory operations during fiscal year 2004 exceeded \$39 billion.

According to one estimate, the total regulatory burden on the American public exceeded \$850 billion per year—almost the equivalent of the amount paid in income taxes. Government regulations cost American small businesses 60 percent more per employee than the cost incurred by larger businesses. For every dollar devoted by the federal government to regulatory activity, American businesses spend \$45 to comply with these regulations. At \$8,000 per employee, domestic manufacturers assume almost twice the average cost for all U.S. industries. Workplace regulations alone cost manufacturers \$2.2 million per firm per year, roughly \$1,700 per employee. Our global competitors do not have this large of a burden, so it is no wonder that our nation continues to bleed jobs to competing nations.

During the past 50 to 60 years, Congress and various Presidents have developed procedures to guide the federal rulemaking process with the goal of reducing the amount of regulatory burden

imposed on the American public and businesses. Those in favor of regulatory reform argue that federal regulations are too costly, time consuming, complex, duplicative, burdensome and intrusive for businesses and other regulated entities. However, there are those who would argue that regulatory reform efforts focus too much on the costs of regulations and do not focus on the benefits.

Make no mistake, I am a defender of regulations that protect the environment, worker health and safety. I am a defender of regulations that watch over consumers and safeguard our natural resources. I have spent almost 3 decades in public office as an advocate of our environment. However, excessive and unnecessary regulatory burdens can cause substantial harm by limiting economic growth, slowing job growth, and hindering America's ability to compete in a global economy. As I have said many times – the standard must be what is reasonable.

I am eager to have a dialogue about how best to improve the federal regulatory process for the benefit of all Americans. In particular, I am hopeful that this hearing will present us with suggestions that will help Congress address the flaws with our regulatory system. I am extremely troubled by the number of regulations that could have an impact on our ability to remain competitive with our key trading partners. Streamlining the regulatory process to limit unnecessary regulatory burdens on the American public is a powerful force for reinvigorating our economy, small businesses, and our competitiveness on the international stage.

I look forward to the testimony of all of our witnesses today. I'll now recognize Mr. Lynch for his opening statement.